

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Pension Trust	(2) MEETING DATE 11/25/2014	(3) CONTACT/PHONE Carl Nelson, Executive Secretary 781-5465	
(4) SUBJECT Submittal of a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for contribution rates for agencies contracting with the Pension Trust. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for non-County entities contracting with the Pension Trust.			
(6) FUNDING SOURCE(S) n/a	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) n/a		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: n/a <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Pension Trust / Carl Nelson, Executive Secretary
781-5465

DATE: 11/25/2014

SUBJECT: Submittal of a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for contribution rates for agencies contracting with the Pension Trust. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a resolution approving amendments to the San Luis Obispo County Employees Retirement Plan Appendices for non-County entities contracting with the Pension Trust.

DISCUSSION

The San Luis Obispo County Employees Retirement Plan provides for contracting agencies participation with the Pension Trust. Contracting agencies are non-County entities that contract with the Pension Trust to have their officers and employees participate in the Pension Trust and the Employees Retirement Plan. At present the San Luis Obispo County agencies that contract with the Pension Trust to participate in the Retirement Plan are:

Local Agency Formation Commission (LAFCO)
Superior Court of California
Air Pollution Control District (APCD)

The setting of the terms of the Retirement Plan and employer and employee pension contribution rates falls under the authority of the County as the Plan Sponsor. Contribution rates for the Retirement Plan increased for all employees in Tier 1 and Tier 2 pension benefit categories effective the pay period that includes January 1, 2014. The pension contribution rate increase for all Miscellaneous Members was 0.97% in aggregate. Subsequent to that date the Board of the Air Pollution Control District approved the allocation of this increase to be split between the employer and the employee equally. This resolution completes that prior decision by the Board of the Air Pollution Control District by incorporating that contribution rate increase allocation into the Retirement Plan appendices.

In addition, the Superior Court of California for San Luis Obispo County has approved a Memorandum of Understanding with one of their bargaining units that updates the amount of the employer paid for employee ("pick up") contribution rate to 6.47% to match other bargaining units within the Courts for the Tier 1 pension benefit category.

This resolution puts into place the Retirement Plan amendments to the contribution rate appendices of the Plan relative to the Contracting Agencies in accord with those agencies collective bargaining agreements or governing board decisions.

Appendix A - T1 & T2 - BUs 98 & 99 amended reflect the new employer appropriation rates and the new Tier 1 and Tier 2 member contributions rates for the Air Pollution Control District. Appendix A - T1 - BU19 - Courts amended reflects the new employer paid for employee ("pick up") contribution rate for the Superior Court.

OTHER AGENCY INVOLVEMENT/IMPACT

Representatives from the Air Pollution Control District, the Superior Court and the Pension Trust participated in the development of the employees' retirement plan appendices. County Counsel has reviewed and approved the Resolution for legal form and effect. The Contracting Agencies requested the Plan Amendments proposed. The Auditor's Office, Human Resources, and the Contracting Agencies involved will process the system changes needed to implement these rate changes.

FINANCIAL CONSIDERATIONS

Pension Rate Increases:

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust ("Trust") as a measure of the funding status of the Trust. Based on the 2012 report, it was determined that an increased rate of contribution was needed to appropriately fund the Trust. This rate increase was effective the pay period that includes January 1, 2014 and has been implemented by the County and the Contract Agencies. This action reallocates the 0.97% increase for the Air Pollution Control District to 0.49% to the employer and 0.48% to the employees. The increase in the Courts employer paid for employee contribution from 5.97% to 6.47% matches other bargaining units with the Superior Court and is paid by the Courts, not the County. The cost of the pension contribution rate increase for Contracting Agencies and any change in the rate of employer paid for employee contributions will not alter the County's annual ongoing costs.

RESULTS

Approval of this resolution will result in reallocated pension contributions from the Contracting Agencies in compliance with the Retirement Plan's terms and consistent with rates paid by the County employer.

ATTACHMENTS

1. Resolution
2. Appendix A – BU 98 & 99
3. Appendix A – BU 19